A STUDY ON :THE IMPACT OF DEMONETIZATION ON THE ECONOMY OF INDIA

A Synopsis of Research Proposal for Ph.D in Management

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1. Proposed Title of the Research Work:

A Study on : The Impact of Demonetization on the Economy of India

2.1 Definition

Demonetization is the process of withdrawal of a particular form of currency from circulation. Demonetization becomes necessary whenever there is a change in the national currency. The old unit of currency must be retrieved and replaced with a new currency unit. It involves either introducing new notes or coins of the same denomination or completely replacing the old denominations with the new denomination which is usually carried out as an ambush on the black market. (Ghosh, Chandrasekhar and Patnaik, 2017)

Demonetization is a process through which the Government can withdraw currency of a certain denomination or denominations from the economy. Demonetization is adopted by the government to put a check on black money. (Agrawal, 2017).

Demonetization is the mechanism of withdrawal *of* money from circulation in monetary system. Thus this way the Central bank will lose its interventionist scope. But will still remain the regulator of monetary flows in the monetary system and the economy. (Stojanovic, 2017)

2.2 Overview of Demonetization in India

The history of demonetization very old, the first time it was done in January 1946, for the second time in January, 1978 and for the third time it was done in November 2016. In the year of 1946, notes of denominations 1,000 and 10,000 rupees were withdrawn from circulation .In January 1978, government demonetized banknotes of denominations 1,000, 5,000 and 10,000 rupees with the notion of curbing counterfeit currency and black money. Thorpe, 2010

The latest demonetization of denominations Rs. 500 and Rs. 1,000 banknotes was a policy decision carried out by the November 2016. The use of denominations of all Rs. 500 and Rs. 1,000 banknotes of the Mahatma Gandhi Series were invalidated. They were to be replaced by Rs. 500 and Rs. 2,000 banknotes of the Mahatma Gandhi New Series.

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1. Ghosh, Jayati , Chandrasekhar, C. P., and Patnaik, Prabhat. (2017), '*Demonetisation Decoded: A Critique of India's Currency Experiment', 1ST ed.,* New York, United States of America: Routledge, p. 1-2

2. Agarwal**,** Anupam. (2010), *'Dictionary of Economics & Commerce', 1st ed.* Agra, India: Upkar Publications, p. 49

3. Stojanovic , Radmila. (2016). *'The Functioning of the Yugoslav Economy'1st ed.* New York, United States of America: Routledge, p. 97

This was an attempt to eliminate a reasonable volume of currency notes which was in the circulation because of inflation. The objective of the mission was to purge the economy of black (unaccounted) money and counterfeit currency, both considered serious threats to the country's security and stability. The scale of the mission was massive since Indian economy is predominantly cash driven with a significantly sized flourishing shadow economy.

While the act of demonetization with multiple objectives is laudatory, but it is to be supplemented by backup measures to yield which would provide true benefits. The present question is that is the country is prepared for cashless economy and digitalization of economy? Is Indian infrastructure is robust enough to support this step? Are the vast majority of our people sufficiently conversant with technology and process (Since more than fifty percent of the population is illiterate)? How will we guard against attendant risks that technology brings? (Arunachalam, 2017)

The Indian government claims that the demonetization effort is to stop the counterfeiting of the current currency notes allegedly used for funding terrorism across the border by the neighboring countries, and as an attack on the black money in the country.

The government's aim was to wipe out the counterfeit currency, scrap tax evasion, curb corruption, abolish black money generated out of money laundering and terrorist funding activities, and to promote a cashless e-economy. By announcing the larger denomination notes to be useless, the individuals and various black money launderers with huge collection of black money generated from the parallel black cash systems were affected and made to convert the cash money through a banking system which requires tax information from the entity. In case, if the entity is not providing any proof of paying any tax on the cash, a 200% penalty of the tax owed was imposed. (Jain, 2017)

Due to the demonetization the Fake Indian Currency Notes (FICN) network will be dismantled by the demonetization measures. The demonetization decision is expected to have far reaching effects on real estate. Resale transactions in the real estate sector often have a significant cash component as it reduces incidence of capital gains tax. Black money was responsible for sharp appreciation of properties in metros; real estate prices may now see a sharp drop. The money supply (M3) and bank credit in the decreased, while the bank deposit growth increased sharply. (Kaur, 2017)

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4. Arunachalam, Ramesh S.(2017) '*The Cinderella Notes: Demonetization and the Indian Economy' 1st ed.* Luxembourg City , Luembourg: Create Space Independent Publishing Platform: p. 1-5

5. Jain, Khushboo. (2017). *'The War on Cash – Demonetisation' 1st ed.* New Delhi, India: Educreation Publishing, p. 78-84

6. Kaur, Manpreet. (2017). Demonetization and its Impact on Indian Banking System. *International Journal of Business Management and Scientific Research*, 27 (Mar.), pp 87-89

Another aspect of demonetization has been a reduction in cash transactions in real estate and its growth. This is likely to reduce to real estate prices and make it affordable. In the short term, prices of real estate would come down. By demonetization, parallel economy in India will collapse and black money will be taken out of Indian system. Corruption will also be automatically reduced by removing this money from economy. The money supply will be reduced to some degree. After demonetization the demand for gold and other precious metals rise greatly. Because the people of the country were trying to invest their black money into gold so as to hide it from the income tax department. But demand for gems and jewellery to decline in the next two to three quarters. There will be positive move in financial and bullion markets in long run that could bring confidence of overseas investors in Indian stock markets. (Kaur, 2016)

2.3 The Implications of Demonetization in India

The main effect of the process of demonetization on the economy was that it created cash shortages in all banks and ATMs across the country.

This produced disadvantageous impact on small business, agriculture, banks, transportation etc. People had to wait for a long time in queues to exchange their old banned notes, creating an atmosphere of disorder and chaos. Several deaths were reported standing in queues for long hours at the banks and ATMs to exchange their old banknotes, lack of medical facilities and due to denial of old currency notes by the hospitals. (Kapila, 2017)

The Indian stock exchange indices fell to a six-month low, BSE SENSEX lost nearly 1,689 points and NIFTY by over 541 points. About Rs. 3 trillion (US$45 billion) in the form of old currency notes of Rs. 500 and Rs. 1,000 being deposited in the banking system and an amount of Rs. 500 billion (US$7.4 billion) had been distributed through withdrawals from the deposited bank accounts, ATMs and exchanges over the bank counters.

There was a sudden hike in the online transactions with the usage of debit and credit cards. People resorted to evading techniques like Gold purchases, Donations, Multiple bank transactions, depositing in the Jan Dhan Scheme bank Accounts, Railway bookings, Municipal and local tax payments, Backdated accounting were also reported to have happened. (Ghosh, Chandrasekhar and Patnaik, 2017)

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7. Kaur, Sandeep. (2016). Demonetization and Its Impacts in India. *International Journal of Research*, 03 (17), pp 1150-1154

8. Kapila, Uma. (2017) *' Demonetisation: The Economists Speak'1st ed.* New Delhi, India: Academia Foundation, p. 2-6

9. Ghosh, Jayati , Chandrasekhar, C. P., and Patnaik, Prabhat. (2017), '*Demonetisation Decoded: A Critique of India's Currency Experiment', 1ST ed.,* New York, United States of America: Routledge, p. 1-2

2.4 The impact of Demonetization on various Sectors of Economy

The effect of demonetization on Indian economy has been enormous it not only affected the economy but also the society, the common man, the polity as well. The different sectors of economy which were affected were agriculture; banking; the bullion markets including gold and the jewelry market; industry; real estate etc. The other macroeconomic factors and indicators of the economy which were affected were employment; gross domestic product (GDP); inflation; money supply in the economy; monetary and credit policy. Apart from it the people and the society suffered a lot.

The **agriculture sector** was under strain due to demonetization, since most of the transactions are done in cash this sector, the hardships of the farmers increased further because it was the rabi sowing season and the harvesting season, the seeds needed for it is being sold in cash and the farmers were cashless, this all added to their woes. According to International Monetary Fund and the Niti Ayog of India the agricultural growth in financial year 2016-2017 fell by 0.5 per cent as compared to the financial year 2015-2016. Thus demonetization led to lower rate of growth in the agricultural sector. (Shukla, 2017)

The impact of demonetization was favorable for **banking sector**, there were more deposits in the banks, thus they could lend to customers at lower rates. The banks have more liquidity therefore they are now lending to RBI. All this resulted in free flow of cash which improved their liquidity .There is increase in digital banking. As more increase in the customer more CASA (Current Account Saving Account) in banks .There were demerits also like waived off ATM charges and waived off merchant discount rate due to which bank incurred losses. There has been an increase of 66% in the deposits in the Jan Dhan accounts, and the credit growth of the banks has gone down to 5.1% which was 11.72 % in last five years. (Tanwar, 2017)

The demonetization drive in India led to a surge in **gold prices** as everybody rushed to convert the abolished notes into gold and silver. Gold jewelry and gold imports recorded a sudden spike in November. The move left a deep impression on the severely cash-driven economy.According to the world Gold Council(WGC) Q2 ending October, 2017 the gold demand of 953.4tone s was 10% lower than for the Q2 of 2016, by contrast, bar and coin investment improved, as did jewellery demand, although the latter remains weak in a long-term context. (Uke, 2017)

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10. Shukla, Pravin Prabhakar. (2017). Demonetization and its impact on Agriculture. *Research MaGma; an Multidisciplinary Journal*, 1 (IV), pp 1-6

11. Tanwar, Shweta. (2017). Demonetization and its Impact on Banking and Indian economy: An Analytical Review. *Inspira- Journal of Modern Management & Entrepreneurship (JMME)*, 07(04), pp. 216-218

12. Uke, Lokesh. (2017). Demonetization and its effects in India. *SSRG International Journal of Economics and Management Studies (SSRG-IJEMS)*, 4(2), pp 18-23

The impact on the industrial output has been adverse the growth rate of the **industrial sector** is estimated to moderate to 5.2 per cent in 2016-17 from 7.4 per cent in the previous fiscal. The Economic Survey, that presents the status of the financial health of the economy, has said the eight core infrastructure supportive industries -- coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity -- registered a cumulative growth of 4.9 per cent during April-November 2016-17 as compared to 2.5 per cent during the same period previous fiscal. The production of refinery products, fertilizers, steel, electricity and cement increased substantially, while the production of crude oil, natural gas fell during 2016-17. Coal production attained lower growth during the same period," the Survey said. The corporate sector's sales grew by 1.9 per cent in the second quarter of 2016-17 as compared to near stagnant growth of 0.1 per cent in the first of 2016-17. Growth in net profit registered a remarkable growth of 16.0 per cent in second quarter as compared to 11.2 per cent in Q1 of 2016-17. (Singh, 2017)

The impact of demonetization on **real estate sector** in last one year, demonetization has lead to downward trend in real estate business, whereas the growth of this sector has gone down by 60% but the transparency in this sector has increases by 80%, which is a laudatory achievement. The experts are of the view that the developers and customer were apprehensive of scrutiny from tax department and at the same there was negative growth in the sector, but now there is optimism in the market and there will be reversal of this trend. The experts are also of the view that the growth was sluggish due to recession in the economy which was further intensified due to demonetization. There has been negative impact of RERA (Real Estate Regulation Act) and GST (Goods and Service Tax) on real estate business as well (Pradeep, 2017).

The various macroeconomic indicators reveal that the employment rate in 3.46 % (2016) has marginally gone down to 3.4 (2017). There has been reduction in jobs due to cost cutting by the government as well as the industry. The major impact has been on the unorganized sector where there has a reduction of 20-30%, especially the real estate sector, where mostly people are working on contractual basis. (Uke, 2017)

The rate of inflation in the economy has remained static in last one year although there has been a decrease of immediately after the announcement of demonetization. The inflation rate went down from 2.59 % in November, 2016 to 2.23 in December, 2016, presently it is 2.89 %. The major change in the rate of inflation was in the prices of vegetables and fruits, which fell by nearly 50%. (Uke, 2017)

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13. Singh, Sudheer. (2017, January, 31). Economic Survey 2016-17: India's industrial growth rate to slip to 5.2 per cent current fiscal, *Economic Times*, pp 5

14. Mishra, Pradeep. (2017, November 03), Impact on Real Estate: One Year of Demonetization. *Rajasthan Patrika*, pp 17

15. Uke, Lokesh. (2017). Demonetization and its effects in India. *SSRG International Journal of Economics and Management Studies (SSRG-IJEMS)*, 4(2), pp 18-23

In India **Gross Domestic Product GDP** growth rate slumped to 5.7% in Q1 of 2017 from 7.1% last year, 2016 this a big challenge for economy the since it is due stocking ahead of GST implementation and the lingering impact of demonetization, a severe jolt to economic reforms. The impact of demonetization has been positive since, there has been a major increase in money supply M3 in India it is 131811.91 INR Billion in October, 2017. Money Supply M3 in India averaged 22817.33 INR Billion from 1972 until 2017, reaching an all time high. But this at a lower level than the period immediately preceding demonetization it was 14960 Billion INR October, 2016. The greatest of the steps was a jolt to cash and starting of a cashless economy and digital payments. The digital payments are increasing there has been a boost to digital economy. Demonetization resulted in people adopting virtual wallets such as Paytm, Ola Money etc. (Kaur, 2017)

2.5 Overview of Demonetization in Global Scenario

The global history of demonetization is very old as far as the global scenario is concerned. This is as old as more than seven decades. India is not only a country which has experimented with demonetization to put its economy on rails. Many countries have already tried demonetization to restructure their economies.

Most probably Singapore was the first country to demonetize the Banana notes circulated by Japanese during their occupation and after their surrender in 1945. (Rudner, 1994)

In Myanmar, demonetization was carried out with larger denomination bank notes for many times in 1964, 1985, 1987, and 2015. In 2015 it introduced a new 10,000 KYAT bill for fighting Counterfeiting. In 1987 it was done to curb the black market. (Chang and Tagliacozzo, 2014)

In 1969 the Fijian central Bank announced that demonetization of the pounds and shillings. Since the Fijian economy transitioned to the new decimal currency structure and there were limited quantities of pounds and shilling remained in circulation. (Loknathan, 1970)

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16. Kaur, Manpreet. (2017). Demonetization and its Impact on Indian Banking System. *International Journal of Business Management and Scientific Research*, 27 (Mar.), pp 87-89

17. Rudner, Martin. (1994). *'Malaysian Development A Retrospective" 1st ed.* Ottawa, Canada: Carleton University Press, p. 33

18. Chang, Wen-Ching and Tagliacozzo, Eric. (2014). *'Burmese Lives: Ordinary Life Stories under the Burmese Regime' 1st ed.* New York, United States of America: Oxford University Press, p.186-187

19. Loknathan P.S. (1970) *'Economic Survey of Asia and the Far East' 24th volume,* United Nations Publications, 1970, 24th volume, Suva (Fiji), p.184

In the same year 1969, the United States of America under President Richard Nixon declared also demonetized all bills above $100 null and void in United States of America to curb the existence of black money in the nation and restore the country's sheen. The $100 bill is the most widely circulated denomination till date. (McKinnon, 2013)

In 1969 also the currency of United Kingdom was demonetized. Which can be termed as a successful example of demonetization, but the banknotes remained unchanged except for the replacement of the 10 shilling note by the 50 pence coin. Other non-decimal coins with no precise equivalent in the new currency were withdrawn later in 1971.

The old coin to be replaced by the new 12-sided 1 pound coin and a new polymer note of £10 are introduced in the year 2017. **(**Gill, 2012)

In 1984 Ghana carried out their demonetization decision with 50 cedi currency notes for monitoring money laundering and to curb corruption. (Boadi, 1985)

In the same year 1984 Nigeria resorted to demonetization move to invalidate their old currency notes and to fight black money, to fix the debts and containing the rising inflation. (Njoku, 2001)

President Mikhail Gorbachev the then Soviet Union president in 1991 demonetized the higher denomination ruble bills, of 50s and 100s. This measure was undertaken to freeze unearned black incomes, the assets of speculators, corrupt officials, illegal businesses, and counterfeit money and a halt on inflation. (Kaufman and Hardt, 1993)

In Zaire obsolescent currency was withdrawn from the system in 1993. Increasing economic disruptions resulted in rise in inflation and the exchange rate against the dollar also collapsed. (Meditz and Merril, 1994)

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20. McKinnon, Ronald I. (2013). '*The Unloved Dollar Standard: From Bretton Woods to the Rise of China', 1st ed.,* New York, United States of America: Oxford University Press, p. i, 50 -81

21. Gill, Anton. (2012). *'Empire's Children: Trace Your Family History Across the World', 1st ed.* New York, United States of America: Harper Press, p. 3-4

22. Gymah-Boadi, Emmanuel. (2005). *'The State and Agricultural Development: The Political Basis of Agricultural Policy in Ghana' 2nd ed.* London, United Kingdom; University of California Press. p. 210-211

23. Njoku, Onwuka N. (2001) *'Economic History of Nigeria: 19th and 20th Centuries' 1st ed.* Magnet Business Enterprises, Abuja, Nigeria: Magnet Business Enterprises, p. 129-134

24.Kaufman, Ricard F. and Hardt, Pearce John. (1993). *'The Former Soviet Union in Transition' 1st ed.* New York, United States of America: m. E. Sharpe Inc., p 202-208

25. Meditz , Sandra W. and Merril, Tim L. (1994). *'Zaire: A Country Study' 1st ed.* New York,United States of America: Federal Research Division, p. 151-165

In the year 1996 Australian government demonetized and withdrew all paper-based notes replacing them with long life polymer-based notes of the same denomination. In order to improve upon the security features and curb black money in the economy. Australian was the first country in world full series of polymer currency notes, which is made out of a more durable material. (Solomon & Spurling, 2014)

In 2002 demonetization occurred when the euro was adapted by the member nations of the European Monetary Union to switch to the new currency euro, in which the authorities fixed various exchange rates for the national currencies of all its members into Euros. (Gandolfo, 2004)

Government of North Korea In 2010, under Kim Jong-II took two zeros off the face value of the country's currency have more control over the economy and to end the black money. (Park & Snyder, 2013)

In 2015 Zimbabwean government demonetized the Zimbabwean dollar to control sky rocketing inflation which was 231 billion percent. Zimbabwe used to have hundred trillion dollar note, which was later demonetized and was exchanged in a shocking way dropping trillion dollars to just $0.5 dollar. Zimbabwe is a typical example, going through a phase of hyper-inflation in the resulting in the value loss of its currency.

The central bank of the Philippines, in the year 2015 decided to demonetize the New Design Series currency notes which were issued in June 1985. Government of Philippines demonetized its currency notes which prevailed valid for over 30 years with new currency being in circulation since 2010 to fight Counterfeiting. (Lamberte, 2003)

Pakistan has also announced to move all its old designed currency notes out of the economy. Pakistan had demonetized its 5 Rs and 500 Rs denomination notes earlier too.

In European Union, creating the single currency (Euro) over the period 1998-2000 is considered to be the largest demonetization ever happened in the history. (Gandolfo, 2004)

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26. Solomon, David & Spurling, Tom (2014), *'The Plastic Banknote: From Concept to Reality' 1st ed.* Collingwood, Australia: CSIRO Publishers, p. ix, 1-7, 181-182

27. Gandolfo, Giancarlo. (2004). *Elements of International Economics, 1st ed.* Heidelberg, Germany: Springer-Verlag, p. 155-183,

28. Park, Kyung-Ae & Snyder, Scott. (2013*). 'North Korea in Transition: Politics, Economy, and Society', 1st ed.* Plymouth, United Kingdom: Rowman and Littlefield Publishers, Inc. p.152 -154

29. Lamberte, Mario B. (2003): *'Central banking in the Philippines: then, now and the future' 1st ed.* Manila, Phillipnes: Philippines Institute of Development Studies, p.28-31, 60-66

The history of demonetization starts in the 19th century with the demonetization effort of America and ends with countries like Pakistan demonetizing in late 2016. There have been almost thirty countries in the world, having resorted to have demonetization of their currencies in about seventy years of time. The major countries include USA, UK, India, Brazil, Russia, European Union, Australia, Poland, Zimbabwe, North-Korea, Pakistan, Argentina, Singapore, Myanmar, Philippines etc.

The major causes of demonetization world over has been curse of black economy, counterfeiting of bank notes, rising inflation, spiral inflation, hyper inflation and terror funding.

There have been many success stories of demonetization and failure stories as the major countries successfully implemented demonetization are USA, UK, Australia, European Union, Philippines, Singapore, the failures have been USSR (Russia), Zimbabwe, Myanmar, Zaire, Ghana, Nigeria respectively.

2.5 Importance of Study

The Importance and need of this study is due to announcement of demonetization by the Indian government last year, 2016. The study envisages the previous attempts at demonetization in the world, the causes of demonetization in India and the world. The study tries to find out the consequences of the process of demonetization in India and the other countries. The study explores whether the demonetization was a success or failure.

2.6 Objectives of the Study

2.61 To study the impact of demonetization on the various sectors of economy

2.62 To examine the role of demonetization in decrease in the rate of inflation

2.63 To inquire the impact of decrease in money supply in the economy due to demonetization.

3. Literature Review

3. 1. **Ghosh, Chandrasekhar and Patnaik (2017)**: The book examines the event of demonetization of Indian high value notes last year. The book further explains that the move was aimed at elimination of black money and corruption. But it had limited results and rather it lead to distress, disruption of economy and loss of income.

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1. Ghosh, Jayati , Chandrasekhar, C. P., and Patnaik, Prabhat. (2017), '*Demonetisation Decoded: A Critique of India's Currency Experiment', 1ST ed.,* New York, United States of America: Routledge, p. 1-2

This book attempt to probe and tries to assess the impact of demonetization on the different section of the population of the country. Further the book explains the process of demonetization, its main features, its ulterior and operative motives, the experiences of other countries, the implementation, chaos and the problems aftermath, the various sectors of economy like agriculture, banking, industry etc. The book also discusses about new goal of cashless economy government and a view of skepticism about the political motive about the process demonetization.

3.2. **Jain (2017):** The book examines various aspects of demonetization like, actions initiated by the government of India in relation to demonetization, need for demonetization and remedies for it, salient features of the policy of the demonetization, positive and negative reactions towards the policy of demonetization, impact on of demonetization on various sectors of economy like agriculture, banking, industry etc., merits and demerits of demonetization and the future of demonetization (The Road Ahead).

3.3. **Kapila (2017)**: The book describes the demonetization in India as one economic decision that shook a billion people from the very moment it was announced, a move shrouded in secrecy, the rationale behind , the aftermath of demonetization, the short and the long term economic impact, the social and political fallout, and much more. The book further discusses the impact of demonetization on common man, unending serpentine queues at banks and ATMs, several deaths were caused, countless speeches, reactions and counter-arguments, a stalled parliament was the important feature of India's recent demonetization.

3.4. **Agarwala (2017)**: The book explains the impact of demonetization; India was caught unaware and shaken to its very roots, when the majority of the currency in circulation became stripped of its value. The move unleashed a huge debate on television, in newspapers, and on social media, the likes of which had never been seen. It was a blunder or a leap forward. To answer these questions, the book takes an incisive look at the events that led to the process of demonetization, the aftermath, and its implications. He sifts through many irrelevant rants, a lot of politically motivated mud-slinging, and asks the most important question: What now, what next?

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2. Jain, Khushboo. (2017). *'The War on Cash – Demonetisation' 1st ed.* New Delhi, India: Educreation Publishing, p. 78-84

3. Kapila, Uma. (2017) *' Demonetisation: The Economists Speak'1st ed.* New Delhi, India: Academia Foundation, p. 2-6

4. Agarwala, Ramgopala, (2017). *' Demonetisation: A Means to an End?'1st ed.* New Delhi, India: Sage Publications, p. 3-7

3.5. **Roberts (2017)**: The book analyses the policy and procedure of demonetization it presents the views of economists like former chief economic adviser to the Indian government, chief economist at the World Bank, various other economists and a noble laureate. They are of the view that this process of the demonetization scheme launched by government of India was inept, a major mistake, a despotic move etc. Some were of the views that it was a bold move, starting the process of modernization and digitalization of economy, a courageous move, a substantive economic reform, a transition towards cashless economy a fight against corruption. The various macroeconomic factors like inflation; employment and unemployment in government sector, private sector, organized sector and unorganized sectors of economy; Gross Domestic Product (GDP); money supply, parameters of monetary and credit policy. Apart it also has done sector analysis of economy as far as agricultural, banking, industrial, bullion and gold markets, the real estate sectors.

3.6. **Ahmed and Alam (2017)**: The book describes about the causes of process of demonetization, the book explains that demonetization decision was taken due to presence of large amount of fake currency in large amount economy and public. This all was causing adverse effect on Indian Economy. In addition to it the government realized that this all was the main source of black money in the economy. Thus these currency notes accounting for eighty five percent of the total money supply of the economy were withdrawn as legal tender.

3.7. **Mohan (2017)**: The book provides the theory of demonetization and asks a very concurrent and relevant question, whether demonetization is a boon or a bane. The book also discusses the impact of demonetization, which would lead to partial removal of corruption, corrupt practices, parallel economy or the black economy and terror networks working from across the country using hawala and counterfeit currency. The book describes that the black economy is leading to huge losses to government exchequer due to tax evasion and tax thefts, which is being siphoned off to foreign banks. Thus the decision of demonetizing high denomination notes (HDN) was taken by the government in a swift and surprising manner. This decision although had negative impact on the stock markets, agriculture and food grain production, banking and industrial sector, diversion of money to influential people and death of hundreds of people.

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5. Roberts, Adam. (2017). *'Superfast, Primetime, Ultimate Nation: The Relentless Invention of Modern India'1st ed.* London, United Kingdom: Profile Books, p. 12 – 15

6. Ahmed, Faisal and Alam, Absar M.(2017). *'Business Environment: Indian and Global Perspective' 2nd ed.* New Delhi, India: PHI Learning Private Limited, p. 211

7. Mohan, Saumitra. (2017). *'Indian Policy and Development: A Manual of national Schemes and International Policies'1st ed.* Chennai, India; McGraw Hill Education (India) Private Limited, p.3.1- 3.7

3.8. **Ahram and Karwowski (2017)**: The book analyses the impact of demonetization on Indian economy with special reference to service sector. The book discusses the causes of demonetization as corruption, counterfeiting of currency, terrorist activities and funding, black money and tax evasion etc. The book further analyses the concepts of money, monetization, demonetization and the operational framework, practices, and challenges of currency management in the Indian economy. The book also analyses the impact of demonetization as massive decline in money supply, decrease in economic growth i.e. gross domestic product (GDP), disinflation in commodities, vegetable and fruits, the impact on black money and counterfeit currency was not as expected, there was a negative impact on union budget since no additional revenue was generated through the process of demonetization, partial cashless and digitalization of economy took place.

3.9. **Roy (2017)**: The book discusses about the present scenario of demonetization, its potential, prospects and challenges. It also throws light on impact of demonetization in terms of combating black money, corruption, counterfeit currency and terror financing. It terms the action of demonetization as a cultural-economic revolution in the making. The book adds further that this a surprise which pushed millions of new users onto the country's digital economic grid, cash might be more expensive for the government, because of tax evasion, corruption and the need to keep recirculation old, spoilt, currency, and enabling transfers, but digital economy is expensive for citizens. Most Indians lack the means to use cashless alternatives, irrespective of their desire to do so. The digitalization of economy will lead to an improved climate for foreign investment, boost economic growth. The book also mentions the government initiatives towards digitalization through launch of BHIM app and Aadhaar Pay for people who don't have mobile phones. This will lead to emergence of as a truly cashless economy. The book further discuses about the basics of cashless economy- its challenges and prospects, mobile wallets and apps in India, government initiative in digital movement; the next generation digital payments models in India.

3.10 **Basu and Moshnik (2017)**: The book elaborates on the reconstruction of Indian economy through various measures like economic reforms of the year 1992 and the present policy of demonetization. The book further discusses about the surprise move of demonetization to tackle the problem of corruption, counterfeit currency, black money (shadow economy), terrorism etc.

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8. Ahram, Tareq, Karwowski, Waldemar.(2017). *'Advances in Human Factors, Software and Systems Engineering' 1st ed.* New York, United States of America: Springer International Publishing, p. 174 – 183

9. Roy, Ajit. (2017). '*Cashless Economy in India- Present Scenario, Potential, Prospect and Challenges: Post Demonetisation Impact' 1st ed.* North Charleston, United States of America: Create Space Independent Publishing Platform. P.1-

10. Basu, Dipak and Miroshnik, Victoria. (2017). '*India as an Organization: Volume Two: The Reconstruction of India' 1st ed.* New York, United States of America: Springer International Publishing, p. 43 – 44

It adds there were several impacts on the economy the immediate one was the that it withdrew eighty six percent of the currency from circulation, chaos in the country, death of poor people, negative implications for manufacturing sector of the country, labour, growth rate and GDP, welfare of the people, downward trends in stock market. The book criticizes the move for cashless economy and digitization of economy since half of the Indian population doesn't have bank accounts, thirty crore people don't have identification proof and few Indians have debit and credit cards. It also adds that only one percent of the population pay taxes and the black money is converted into gold, silver, real estate and overseas accounts and accounts for about thirty to forty percent of GDP.

3.11. **Arunachalam (2017)**: The book examines the causes of demonetization like parallel black money economy and counterfeit currency, causing a threat to security and safety of the country. The book asks some questions on the motives of demonetization like, is demonetization supplemented by foolproof backup measures and will yield true benefits? Are we really prepared for the great digital switch to go cashless? Is our infrastructure robust enough to support the new idealist economy- Go Cashless? Are the vast majority of our people sufficiently conversant with technology and process? How do we guard against attendant risks that technology brings?

3.12. **Tanwar (2017)**: The study has analyzed the impact of demonetization on the Indian economy, the real estate, black money, terror funding, and the political parties. The process of demonetization has brought major influences on economy like there are more deposits in the various banks, which they can lend to low rate. The author has further discussed the money supply and demonetization, the impact on banking sector, the history of demonetization in India, effect on the black money, terror funding, real estate sector etc. The study examines is how demonetization is used by the government as a tool to fight against corruption and lead to economic growth. The government's main objectives of note ban is, to eradicate counterfeit currency, resist tax evasion ,destroy the black money, and terrorist financing activities, & to encourage the country towards the cashless economy.

3.13. **Kaur (2017)**: The study explains the meaning of demonetization; the impact of demonetization on Indian economy like parallel economy, real estate business, cashless transactions, digital economy, and banking sector. The Fake Indian Currency Notes (FICN) network will be dismantled by the demonetization measures. The demonetization decision is expected to have far reaching effects on real estate. Resale transactions in the real estate sector often have a significant cash component as it reduces incidence of capital gains tax.

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11. Arunachalam, Ramesh S.(2017) '*The Cinderella Notes: Demonetization and the Indian Economy' 1st ed.* Luxembourg City , Luembourg: Create Space Independent Publishing Platform: p. 1-5

12. Tanwar, Shweta. (2017). Demonetization and its Impact on Banking and Indian economy: An Analytical Review. *Inspira- Journal of Modern Management & Entrepreneurship (JMME)*, 07(04), pp. 216-218

13. Kaur, Manpreet. (2017). Demonetization and its Impact on Indian Banking System. *International Journal of Business Management and Scientific Research*, 27 (Mar.), pp 87-89

Black money was responsible for sharp appreciation of properties in metros; real estate prices may now see a sharp drop. The money supply (M3) and bank credit in the decreased, while the bank deposit growth increased sharply. These trends will be further reinforced in the next few months, as the deflationary shock ripples through the economy. One of the main motivating factors for this study is that, despite major developments in paperless currency over the past decade, physical cash remains widely used throughout the world. Demonetization will lead to use of a, digital wallet which is an electronic device which allows an individual to make electronic commerce transactions like payment of bills or online bookings etc. An individual's bank account can also be linked to the digital wallet.

3.14. **Mishra (2017)** the author has analyzed the impact of demonetization on real estate sector in last one year, he adds that demonetization has lead to downward trend in real estate business, whereas the growth of this sector has gone down by 60% but the transparency in this sector has increases by 80%, which is a laudatory achievement. The experts are of the view that the developers and customer were apprehensive of scrutiny from tax department and at the same there was negative growth in the sector, but now there is optimism in the market and there will be reversal of this trend. The experts are also of the view that the growth was sluggish due to recession in the economy which was further intensified due to demonetization. There has been negative impact of RERA (Real Estate Regulation Act) and GST (Goods and Service Tax) on real estate business as well.

3.15. **Mahajan (2017)**: The author discusses views of various foreign newspapers, he expresses that the decision of demonetization by the government a year ago has surprised every economist of the country and the abroad. In this regard some of the leading economist of the world and India had termed this decision to be a bad dream, illegal and draconian. There had been reports in foreign newspapers like The Gaurdian, The Washington Post, The New York Times and The Forbes Magazine : USA, The Economist: The British Magazine, The Herald: Pakistan. They all have said this was a decision which created an atmosphere of chaos in the country in which several persons died, it made lacs of people cashless, it is like an administrative recklessness and a bad dream, it created a very serious problem for the economy and resulted in economic slowdown.

3.16. **Shankaran (2017)**: The author has given an account of history of demonetization in India, its impact on Indian economy, and causes of demonetization like black money etc.

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14. Mishra, Pradeep. (2017, November 03), Impact on Real Estate: One Year of Demonetization. *Rajasthan Patrika*, pp 17

15. Mahajan, Ashwini (2017, November 02). Demonetization: A Bad Dream, Draconian and Illegal. *Rajasthan Patrika*, pp 17

16. Shankaran, Sanjiv. (2017, February 23). Demonetization in 1946 and 1978: Stories from the past, *Times of India*, pp 13

The Reserve Bank manages currency in India formed under the Reserve Bank of India Act, 1934. The rupee is named after the silver coin, rupiya, first issued by Sultan Sher Shah Suri in the 16th century and later continued by the Mughal Empire. The highest denomination note ever printed by the Reserve Bank of India was the Rs 10,000 note in 1938 and again in 1954. So the Rs 1,000 currency notes is not new, Rs 1,000 and higher denomination notes were first demonetized in January 1946 and again in 1978. Rs 1,000 and Rs 10,000 bank notes were in circulation prior to January 1946. Higher denomination banknotes of Rs 1,000, Rs 5,000 and Rs 10,000 were reintroduced in 1954 and all of them were demonetized in January 1978.

3.17. **Stojanovic(2016)**: The book explains the concept of demonetization its repercussions on the economy of a country. The book provides the details about the monetary and the credit system of the economy, the currency, the money supply, inflation etc. the basics affecting the prosperity of the country. The book also discusses the affect of demonetization on the banking system, the labour, the industry etc.

3. 18. **Kaur (2016)**: The study analyses the impact of demonetization on different sectors of economy, like real estate business; parallel economy; inflation; gross domestic product ; gold and silver jewellery; financial and bullion markets; interest rates; counterfeit currency, terrorist funding, cashless payments and digitalization. One of the main impacts of the demonetization would be reduction in cash transactions in real estate and its growth. This is likely to reduce to real estate prices and make it affordable. In the short term, prices of real estate would come down. By demonetization, parallel economy in India will collapse and black money will be taken out of Indian system. Corruption will also be automatically reduced by removing this money from economy. The money supply will be reduced to some degree. After demonetization the demand for gold and other precious metals rise greatly. Because the people of the country were trying to invest their black money into gold so as to hide it from the income tax department. But demand for gems and jewellery to decline in the next two to three quarters. There will be positive move in financial and bullion markets in long run that could bring confidence of overseas investors in Indian stock markets.

3.19. **Chang and Tagliacozzo (2014)**: The book narrates the story of demonetization of bank notes three times in 1964, 1985 and 1987 in Burma (Myanmar). The government demonetized the 150 kyat notes, confiscated all the business, shops and establishment, stripped the people of all the currency and little savings they had.

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17. Stojanovic , Radmila. (2016). *'The Functioning of the Yugoslav Economy' 1st ed.* New York, United States of America: Routledge, p. 97

18. Kaur, Sandeep. (2016). Demonetization and Its Impacts in India. *International Journal of Research*, 03 (17), pp 1150-1154

19. Chang, Wen-Ching and Tagliacozzo, Eric. (2014). *'Burmese Lives: Ordinary Life Stories under the Burmese Regime' 1st ed.* New York, United States of America: Oxford University Press, p.186-187

The people suffered huge losses when the government refused to offer new notes to replace certain large bills. The police carried out searches on the market and at home from time to time, harassing the people time and again. Not able to cope up with these drastic changes many people died as a consequence of demonetization.

3.20. **Solomon & Spurling (2014)**: The book narrates the story of Reserve Bank of Australia (RBA) and CSIRO working together to produce the most secure and durable notes in the world. The backdrop of this story is that in the year 1996 Australian government demonetized and withdrew all paper-based notes replacing them with long life polymer-based notes of the same denomination. In order to improve upon the security features and curb black money in the economy. The project to develop these notes started in the year 1968 and ended in 1988 with the release of $ 10 bicentennial commemorative banknote. In 1966 decimal currency system was introduced in Australia for banknotes and coins. This production of polymer notes was because of enormous amount of forgery and counterfeiting of ordinary paper currency in the country. This was an example of long hard work and use of high level applied science. This process of demonetization has not only benefited the public and the society of Australia but also its economy in a tremendous way. It involved many scientist, physicists, chemist (organic chemistry) and engineers. It took these people a time spanning two decades to successfully complete the project.

3.21. **McKinnon (2013)**: The book inspects monetary behavior of America's economy the Bretton woods and thereafter. The demonetization is very old in America but the major demonetization in 1969 under President Nixon was the most laudable one, which has shown a consistency of monetary policy and for past almost fifty years there has been no need for demonization. The demonetization of 69declared all bills above $100 null and void in United States of America to curb the existence of black money in the nation and restore the country's sheen. The move was highly successful and is claimed to have been the starting of development of the American banking system. The $100 bill is the most widely circulated denomination till date. The highest value of denomination currently in production is the $100 bill. But the Federal Reserve Bank (FRB) of America has also issued $1,000, $5,000, $10,000 and even $100,000 bills.

3.22. **Park & Snyder (2013)**: The book analyses the North Korean demonetization under the iron regime of leader Kim Jong Il. This was a sudden change in the country's currency.

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20. Solomon, David & Spurling, Tom (2014), *'The Plastic Banknote: From Concept to Reality' 1st ed.* Collingwood, Australia: CSIRO Publishers, p. ix, 1-7, 181-182

21. McKinnon, Ronald I. (2013). '*The Unloved Dollar Standard: From Bretton Woods to the Rise of China', 1st ed.*, New York, United States of America: Oxford University Press, p. i, 50 -81

22. Park, Kyung-Ae & Snyder, Scott. (2013*). 'North Korea in Transition: Politics, Economy, and Society', 1st ed.* Plymouth, United Kingdom: Rowman and Littlefield Publishers, Inc. p.152 -154

This all lead to chaos in the country due to this economic reform involving demonetization. The government of North Korean decided to lop off two zeroes from the existing paper currency, the won, and gave North Koreans less than a week to exchange all their old notes for new ones. The book further explains that the causes of inflation were bad economic policies of the past, hyperinflation, repressive tendencies of government and impoverished people in North Korea. The leadership had been highlighting the dangers of inflation for at least a decade before the final action of demonetization.

3.23. **Gill (2012)**: The book analyses the demonetization of British currency and adoption of decimal currency in place of pounds, shillings, and pence. This can be cited as a successful example in which the banknotes remained unchanged, except for the replacement of the 10 shilling note by the 50 pence coin. The smallest and largest non-decimal circulating coins, the half penny and half crown, were withdrawn in 1969. Other non-decimal coins with no precise equivalent in the new currency (1d, 3d) were withdrawn later in 1971.This all made 433 million of one pound coins worthless and withdrawn from the British economy. The old coin to be replaced by the new 12-sided 1 pound coin in and the round pound will cease to be legal tender and a new polymer note £10 are introduced in the year 2017.

3.24. **Agrawal (2010)**: The author of this book discusses the definition and the concept of the demonetization . Demonetization is nothing but only the withdrawal of currency from the economy. He further explains the motives of the government behind the process of demonetization. The main motive behind this has been to weed out prevalent problem of black money and corruption from the Indian economy.

3.25. **Thorpe & Thorpe (2010)**: The book discusses about the meaning of demonetization, its causes, why it is done. The book further throws light on the history of the earlier two attempts at demonetization done by the erstwhile British government and government of free India.

3.26. **Boadi (2005)**: The book provides an apt opinion about the economic policy, political aspects, agricultural policy, rural development policy and monetary policy of Ghana. The book showcases the event of demonetization of which was done to mop up excess liquidity in the system to ease inflationary pressures; to crack down on tax evasion; so that the corrupt

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24. Agarwal**,** Anupam. (2010), *'Dictionary of Economics & Commerce', 1st ed.* Agra, India: Upkar Publications, p. 49

25. Thorpe, Edgar and Thorpe, Showick. (2010). *'The Pearson General Knowledge Manual', 1st ed.* Pvt. Ltd., New Delhi, India : Dorling Kindersley (India) Pvt. Ltd., p C.173

26. Gymah-Boadi, Emmanuel. (2005). *'The State and Agricultural Development: The Political Basis of Agricultural Policy in Ghana' 2nd ed.* London, United Kingdom; University of California Press. p. 210-211

Politicians are being punished; and to render useless large amounts of the currency circulating outside the country. The exercise was also intended to crush currency smuggling and thereby shore up the external value of the currency. The demonetization exercise withdrew an estimated eight hundred million pounds from the economy and the 50 cedi notes were demonetized.

3.27. **Gandolfo (2004)**: The book describes about the European Union, creating the single currency (Euro) over the period 1998-2000 which is considered to be the largest demonetization ever happened in the history till date. The demonetization occurred when the euro was adapted by the member nations of the European Monetary Union to switch to the new currency euro, in which the authorities fixed various exchange rates for the national currencies of all its members into Euros. This was a hard decision for the European countries to *change* the composition of their currency without affecting the exchange rates in terms of new currency the Euro and demonetization of their national currencies. The process of demonetization started in the year 1998 and in the beginning of January 1999 the implementation of Stage of three aspect of this reform the European Union (EU), the European Economic and Monetary Union (EMU), the Euro (€) the new common currency. The book further adds that the introduction of a unified currency Euro on Jan 1, 2002 called for demonetization of the existing currencies of 12 countries under the European Union. About eight billion notes and 38 billion coins were distributed through 218,000 banks, post offices and 2.8 million sales outlets. Simultaneously a large proportion of the nine billion national notes and 107 billion national coins were collected. Prior preparations starting from mid 1998 and informing the citizens well in advance resulted in this successful currency changeover.

3.28. **Tasker (2003)**: This book explains the development of polymer note technology by Australia. They not only have mastered this art but providing this state of art technology to other nations and are currently exporting these notes it to more than 20 nations around the world. The revolutionary features of polymer notes are that they last four for times than the ordinary banknotes, they don't crumble, they don't tear, nothing can be written on them thus they cannot be disfigured this only for lower denomination notes, the higher denomination notes last even longer approximately ten times more than ordinary paper currency. With this particular move Australia went far ahead of other countries of world by producing polymer notes and it proved to be a master stroke for their economy. These notes were and are hard to counterfeit, they have a clear window incorporating design, they stay clean, are easily processed through the machines processing money and they can be recycled into other plastic goods. These polymer notes are now being printed by a division of the Reserve Bank of Australia (RBA) for other countries, including Papua New Guinea, Western Samoa, Indonesia, Kuwait and Singapore.

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27. Gandolfo, Giancarlo. (2004). *Elements of International Economics, 1st ed.* Heidelberg, Germany: Springer-Verlag, p. 155-183,

28. Tasker, Sandy. (2003). *'Aussie Aussie Aussie', 1st ed.* Perth, Western Australia: Ready-Ed Publishers, p. 22

3.29. **Lamberte (2003)**: The book describes the process of demonetization adopted by the central bank of Philippines the Banko Sentral Ng Pilipinas (BSP) and introducing the n*ew* design which depicted the rich heritage, ethnic traditions and cultural growth of Philippines. The new bank notes were entirely phillipino in design and content thus negating the western influence on the country. In1981, the Central Bank started to print and mint an entirely new series of Philippine currency notes and coins which are contemporary and forward looking, adopting the latest trend of anti-counterfeiting features. In 1985, the BSP issued the New Design Series(NDS) starting with the 5-piso banknote and 10-piso banknote and in1986, a new 20-piso banknote appeared, in1987, the 500-piso banknote and in 1991, the BSP issued for the first time a 1000-piso banknote. The policy of demonetization was adopted due to counterfeiting of notes.

3.30. **Kumar (2002)**: The book explains about the concept of black money the main cause of demonetization in India in a very lucid way without causing any sensation. The book further identifies the causes of black money which includes the corrupt practices of politicians, administration, judiciary and the businessmen. The book also highlights the consequences of black money such as false creation of shortage resources and capital. The solution to the problem of black money lies in the hand of India and Indian only and we should stop following the policies and procedures of the west blindly.

3.31. **Njoku (2001)**: The book describes about the process of demonetization done Nigeria in which the military government issued new currency notes with new colors in an attempt to make the old notes obsolete. The book further adds that this was carried out in order to curb money laundering and eliminate black money in the financial system and it was a means of transiting from a cash dependent economy to a more cashless one. But the movement aimed towards fixing a debt-ridden and inflated economy failed miserably. The demonetization was resorted to because Nigeria has been afoot with multiple transition effects from the global economy which had led to a persistent requirement of a policy reset or a recalibration of the economic structure of the country, to act as a policy response to the new change in economic scenario of the country.

3.32. **Meditz and Merril (1994)**: The book analyses the situation which led to demonetization in Zaire. There was hyper inflation in the country the country's currency continued to depreciate to new lows against the dollar the rate of exchange was one hundred and ten million Zaire to USA one dollar. The economy was in shambles, there was a breakdown of the banking system, and the economy of the country was severely damaged.

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29. Lamberte, Mario B. (2003): *'Central banking in the Philippines: then, now and the future' 1st ed.* Manila, Phillipnes: Philippines Institute of Development Studies, p.28-31, 60-66

30. Kumar Arun. (2002) '*The Black Economy in India'2nd ed.* New Delhi, India: Penguin Books, p. 1-5

31. Njoku, Onwuka N. (2001) *'Economic History of Nigeria: 19th and 20th Centuries' 1st ed.* Magnet Business Enterprises, Abuja, Nigeria: Magnet Business Enterprises, p. 129-134

32. Meditz , Sandra W. and Merril, Tim L. (1994). *'Zaire: A Country Study' 1st ed.* New York,United States of America: Federal Research Division, p. 151-165

Thus the obsolescent currency was withdrawn from the economic system. The government was at involved in the Angolan civil war. This all made the economic condition even worse. The government then tried to force it through by paying soldiers' salaries with the new currency, but the army rioted when its money was refused in the shops.

3.33. **Rudner (1994)**: The book describes the demonetization of banana currency to be initially a cause of impoverishment of the Singaporean economy. But today it hardly has any illegal funds or black money. The credit of cleansing the economy goes not only the government but also to each and every citizen of Singapore who toed the line and stuck to the rule of tax administration. Besides it the Singapore government also ensured that the new currency notes have multiple security features making it impossible to be reproduced by illegal printers.

3.34. **Kaufman and Hardt (1993)**: The book analyses the policy of reform, perestroika (reform ad restructuring) and glasnost (openness) of President Gorbachev, thus due to this policy in1991, large denomination bills were demonetized and exchanged only up to a certain level. The owners of currency had to show the source of income was legitimate and sums in savings accounts were protected. The government thus reduced the money supply and reduced the faith of people in the currency ruble. The government resorted to monetary reform and tried to control inflation and rising prices of commodities. Gorbachev signed a decree eliminating all 50-rouble and 100-rouble banknotes issued since 1961 and restricting bank withdrawals from private accounts. The book further adds that under the presidential decree, the Soviet financial system stopped accepting banknotes issued since 1961 and started exchanging them for other currency denominations, as well as 50-rouble and 100-rouble banknotes issued in early 1991, the government restricted monthly bank deposit withdrawals to 500 rubles. The government said this measure would freeze unearned incomes, the assets of speculators, corrupt officials, illegal businesses, and counterfeit money, and this would result in a condensed money supply and a halt on inflation.

3.35. **Loknathan (1970)**: The survey analyses the demonetization effort in Fiji, which was done in the year 1969 the Fijian central Bank announced that demonetization of the pounds and shillings as the Fijian economy transitioned to the new decimal currency structure and there were limited quantities of pounds and shilling remained in circulation. The old pounds and shillings demonetized were half penny, one penny, three pence, six pence, 1 shilling and 2 shilling coins and 5 shilling, 10 shilling, 1 pound, 5 pounds, 10 pounds and 20 pounds notes. The Reserve Bank of Fiji (RBF) ceased issuance of the old 1 and 2 cents coins. The new smaller and lighter 5, 10, 20 and 50 cents and $1 coins were introduced and the old 1, 2, 5, 10, 20 and 50 cents coins were also demonetized.

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33. Rudner, Martin. (1994). *'Malaysian Development A Retrospective"1st ed.* Ottawa, Canada: Carleton University Press, p. 33

34. Kaufman, Ricard F. and Hardt, Pearce John. (1993). *'The Former Soviet Union in Transition' 1st ed.* New York, United States of America: m. E. Sharpe Inc., p 202-208

35. Loknathan P.S. (1970) *'Economic Survey of Asia and the Far East' 24th volume,* United Nations Publications, 1970, 24th volume, Suva (Fiji), p.184

4. Research Gaps:

One of the research gap or limitation of the study is there has been a lot amount of literature available on the topic of demonization in India but on the contrary the availability of literature on Indian demonetization is very less from foreign authors.

Another research gap is this that only one year has passed since the recent demonetization thus much research has not been done on this topic. So very low number of research papers are available on the topic.

The literature on the aspect of demonetization in the other countries of the world is restricted and thus disables the researcher to gain much from getting into a total global picture the topic of the study.

Thus it can be said that the literature available to the researcher is insufficient and in-exhaustive thus this is an impediment in providing the absolute understanding of the topic and is one of the limitations of the study.

All the limitations of primary and secondary data are applicable to this study.

5. Proposed Hypothesis

5.1 H_0; There is no significant relationship between process of demonetization and prices of gold.

5.2 H_1; There is a significant influence of process of demonetization on the various sectors of economy

5.3 H_2; There is a significant effect of process demonetization on the real estate business

6. Research Methodology

The research methodology includes the type of research design, the sample size, the method of data collection and the statistical tools used for data analysis.

6.1 Research Design

The exploratory research design has been used for in which a structure questionnaire is being used, a technique of field survey method. The questionnaire is targeted at respondents to understand their attitudes, opinions and behavior. The exploratory research involves the thorough understanding of the topic of the study thoroughly before quantifying the responses of the people involves in the sample into statistically inferable data.

6.2 Sample Size

The sample size of the study is of 500 respondents chosen from various sector of economy. The respondents include bankers; people working with petroleum corporations; the Jewelers and employees of Metals and Minerals Trading Corporation of India; various economists of Universities and in administration of Government; and from people of the society.

6.3 Method of data Collection

The proposed study is based on the use of primary as well as secondary data. The primary data will be collected through a structured questionnaire for which a convenience sampling technique such as convenient and judgment will be used. The secondary data is being collected through various published sources like text books, journals, research papers, articles reports, magazines, newspapers, internet, websites and the like etc.

6.4 Statistical Tools

The statistical tools and techniques used for the analyses of the data will be mean score, factor analysis and F-test etc.

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30. Tasker, Sandy. (2003). *'Aussie Aussie Aussie', 1st ed.* Perth, Western Australia: Ready-Ed Publishers, p. 22

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